

SESSION OF 2016

SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2453

As Recommended by House Committee on
Insurance and Financial Institutions

Brief*

HB 2453 would expand the definition of “specially designed policies” to include sickness and accident insurance “wrap-around” policies, also known as gap plans or metallic gap plans. Wrap-around policies would provide coverage in coordination with individual and group major medical plans to cover out-of-pocket costs applied toward the deductible and coinsurance of the policy. The wrap-around policies would be permitted to contain riders covering critical illness expenses and other riders as might be offered, would not be considered major medical policies, and would not be required to provide the Kansas-mandated benefits in major medical policies.

Background

At the House Committee on Insurance and Financial Institutions hearing, a representative of the Kansas Insurance Department (Department) and an insurance agent testified in favor of the bill, stating the changes would clarify wrap-around policies to help expedite the approval process of supplemental plans filed with the Department and would offer Kansans an additional health insurance option to help cover out-of-pocket costs.

No opponent or neutral testimony was provided at the House Committee hearing.

According to the fiscal note prepared by the Division of the Budget, the Department states enactment of the bill would have no fiscal effect.

*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>